

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3260**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Requires Oregon Health Authority to conduct study or contract with third party to study and recommend best option for financing health care in state.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

House Bill 3260 requires the Oregon Health Authority to conduct a study or to contract with a third party to conduct a study to examine at least four options for financing health care delivery in Oregon. The options should include:

1. An option for a government-administered and publicly financed single-payer model that is decoupled from employment, prohibits coverage of commercial benefits provided under this option, but allows coverage of commercial benefits that supplement health services not provided under this option.
2. An option that allows consumers to choose between a publicly funded plan and private insurance coverage, and allows for fair and robust competition between public and private insurance.
3. The current health care financing system in the state that includes Coordinated Care Organizations, the Oregon health insurance exchange, and full implementation of the Affordable Care Act.
4. One or more additional options designed by the researcher conducting the study that takes into consideration the desired health care delivery and financing system described earlier.

The bill directs OHA to report on the progress of the study during the 2014 legislative session, and to submit the final report to the interim legislative committee no later than November 1, 2014.

To carry out the work required by the bill, OHA anticipates contracting with a third party. Using cost information for comparable work conducted by the New York State Department of Health and Department of Insurance, the Oregon Health Authority estimates the fiscal impact of the bill to be roughly \$600,000 Total Funds.

The bill instructs OHA to solicit funding from a variety of public and private sources to carry out this study. Note, at this time no source of external funding has been identified. As the bill is written, OHA is obligated to conduct this study whether or not this external funding can be obtained. Therefore, the agency may need to request a supplemental appropriation from the Legislative Emergency Board or request additional funding during the regular budget process.